



City of Santa Barbara California

PLANNING COMMISSION STAFF REPORT

REPORT DATE: August 19, 2005
AGENDA DATE: August 25, 2005
TO: Planning Commission
FROM: Planning Division, Community Development Department
John Ledbetter, Principal Planner
Adam Nares, Planning Technician
SUBJECT: **CHARTER SECTION 1508 (MEASURE E)
DEVELOPMENT ACTIVITY STATUS REPORT**

The primary purpose of this report is to provide the Planning Commission with information on recent Measure E non-residential development activity that occurred in the City during the first 6 months of 2005, as well as cumulative Measure E development activity to date. In addition, summary totals of residential development activity are also included.

NON-RESIDENTIAL DEVELOPMENT ACTIVITY

Measure E Allocation Categories

Measure E limits new non-residential development in the City to no more than 3,000,000 square feet from 1990 to the year 2010. The measure also states that new non-residential development in the City must be allocated from one or more of the following categories:

<u>Category</u>	<u>Square Footage Allocation</u>
Approved Projects	900,000 s.f.
Pending Projects	700,000 s.f.
Vacant Property	500,000 s.f.
Small Additions	600,000 s.f.
Community Priority	300,000 s.f.
Total	3,000,000 s.f.

Planning Staff monitors and tracks all new non-residential square footage applications for consistency with the Charter and the development plan allocation system.

Cumulative Totals for All Measure E Category Allocations

Exhibit A is a summary chart displaying the square foot cumulative totals in each development category. Please note that while 2005 Small Addition square footage figures are shown separately, they are counted in the Total Small Addition category figures in the line above.

The cumulative status of all 3,000,000 square feet allocated is also represented graphically in **Exhibit B**. A total of 401,708 square feet (13%) of development is allocated and pending approval. A total of 539,292 square feet (18%) of development has been approved but not issued a building permit. Building permits or certificates of occupancy have been issued for 1,146,032 square feet (39%) of development and 912,968 square feet (30%) remains unallocated and available for future development.

Approved Projects

The Approved Projects category is for projects that were assigned an approved status during the implementation of Measure E in 1990. There has been no change in the number of projects or the total amount of square footage allocated during the first half of 2005*. This is expected because the majority of projects utilizing square footage from this category have already been built and no new projects are eligible to receive square footage from this category. The expired, withdrawn, and denied square footage from this category (currently 213,621 square feet) is available to Economic Development projects.

Pending Projects

The Pending Projects category is for the implementation of specific plans approved prior to April 1986 and projects which were pending during the implementation of Measure E in 1990. There has been no change in the number of projects or the amount of square footage allocated during the first half of 2005*. As in the Approved Projects category, no new projects are eligible to receive allocations from this category, and the expired, withdrawn, and denied square footage (currently 415,288 square feet) is available to Economic Development projects. The large amount of expired, withdrawn, and denied square footage is attributable primarily to projects that have expired.

Vacant Property

Exhibit C shows the status of projects in the Vacant Property category. This category was allocated 500,000 square feet based on a survey of vacant land in the City in 1988. A total of 61,717 square feet (12%) in this category has been issued a building permit or Certificate of Occupancy, 70,530 square feet (14%) has been approved, and 43,800 (9%) of the available square footage is currently pending. Unallocated square footage in this category totals 323,953 square feet (65%) and must remain for use by vacant properties and is not available for Economic Development projects.

Small Addition

Total Small Addition: **Exhibit D** depicts cumulative activity within the Small Addition development category from 1990 through June 2005. The allocations under this category are limited to 30,000 square feet per year. Thus, the total allocation for the 20-year period beginning in 1990 is 600,000 square feet. Of the 600,000 square feet, 206,849 square feet (34%) has been issued a building permit or certificate of occupancy. A total of 18,883 square feet (3%) has been approved but not issued building permits. The amount of development pending approvals is 54,464 square feet (9%). Unallocated square footage totals 136,641 square feet (23%). The unallocated Small Addition square footage will be available for Small Addition use in future years through the Economic Development allocations. Square footage that has either expired or that was not applied for through June 2005 totals 183,163 square feet (31%), and is now available for Economic Development projects

* At the request of the property owners of the Cabrillo Plaza Specific Plan, the PC initiated and recommended Council approval of a definition change for those categories. The change would move this Specific Plan from the Pending Projects to the Approved Projects Category.

2005 Small Addition: **Exhibit E** shows the status of the square footage available from the Small Addition category for the first half of 2005. The 2005 Small Addition allotment of 30,000 square feet was not completely allocated as of June 30, 2005. As of June, no building permits or certificate of occupancy has been issued. 414 square feet (1%) has been approved, and 12,945 square feet (43%) is pending approval. 16,641 square feet (56%) is unallocated and is available for the remainder of the year.

Community Priority

Exhibit F displays the status of square footage in the Community Priority category, which contains 300,000 square feet of development potential. Of the 300,000 square feet, 96,505 square feet (32%) has received a building permit or certificate of occupancy, 46,891 square feet (16%) has been approved, 108,244 square feet (36%) is pending approval, and 48,360 square feet (16%) remains unallocated. The unallocated square footage is not available to Economic Development projects and will remain in the Community Priority category for future needs.

Some of the Community Priority category applications include:

- Elings Park at 1298 Las Positas Rd (12,190 square feet)
- Planned Parenthood at 518 Garden Street (3,565 square feet)
- Bishop Diego High School Expansion at 4000 La Colina Rd (9,432 square feet)
- Mental Health Assoc. at 617 Garden St. (2,703 square feet)

The Cottage Hospital Expansion Project has a dual designation of both Community Priority and Economic Development. All of the designated new square footage (182,541 square feet) is allocated out of the Economic Development category.

Economic Development

The status of square footage in the Economic Development category is shown in **Exhibit G**. A total of 812,072 square feet has been made available to the Economic Development category, consisting of expired, denied, withdrawn, and unallocated square footage from the Approved Projects, Pending Projects, and Small Addition categories. Currently, 0 square feet (0%) is pending approval, 275,901 square feet (34%) has been approved, and 404,014 square feet (55%) remains unallocated.

Per Resolution 99-036, Minor Addition square footage developed in conjunction with Small Additions is to be subtracted annually from the square footage available to Economic Development projects. The 132,157 square feet (16%) shown in the "Building Permit Issued" category consists of the 108,790 square feet of Minor Additions associated with 1997 - 2004 Small Additions and 22,905 square feet of building permits or certificates of occupancy issued for Economic Development projects.

Non-Residential Building Permits Issued

A summary of building permit activity for new, commercial projects from 1990 through June 2005 is presented in **Exhibit H**. During 2005, building permits have been issued for 22,435 net square feet of development, nearly matching the total square footage for the calendar year 2004 (28,959).

Commercial Vacancy Rates

In response to the request from the Planning Commission during its review of our prior report at year end 2004, commercial vacancy rates have been included in this report. The 2005 Santa Barbara City vacancy rates are as follows;

Commercial Type	January 2005 Vacancy Rate	July 2005 Vacancy Rate
Office	5.2%	4.3%
Industrial	0.9%	1.0%
Retail	0.3%	0.75%

Source: Radius Group Commercial Real Estate

RESIDENTIAL DEVELOPMENT ACTIVITY

Building Permits Issued (January – June 2005)

A total of 31 net new residential units were issued building permits during the first half of 2005 as shown in **Exhibit I**. A total of 4 units were removed from the market through demolition and conversion to nonresidential. Of the residential units built, 12 were single family units, 4 were part of mixed use projects, and 15 were multiple family units. Twenty seven units were located in residential zones and 4 were located in commercial zones.

Building Permit Issued through 2005

The net new residential units built per year from 1990 through June 2005 are shown in **Exhibit H**. In comparison to the past 3 years, this graph indicates a slowdown of issued permits. However, there are many projects that are approved and pending permits.

Pipeline Projects Approved, Pending, and Building Permit Issued Units

As of June 2005, the following describes the status of residential development activity in the city that results in a net increase of one or more units.

- 348 units under construction (building permit issued)
- 285 units approved (but not yet under construction)
- 965 number pending review and approval.

In total, as of June 2005 there are 1,598 units in the pipeline. This includes 151 units from annexations.

Pending and Approved Projects as of End of Year 2002 through 2004 as well as Mid-Year 2005 is included in **Exhibit J**. Samples of some large scale pending, approved, and building permit issued projects (as of June, 2005) are included in the **Exhibit K**.

A Housing in the Pipeline Map of pending, approved, and building permit units is included in **Exhibit L**.

EXHIBITS:

- A. Development Allocation Category Totals
- B. Status of Projects – All Categories
- C. Status of Vacant Property Projects
- D. Status of 1990-2005 Small Addition Projects
- E. Status of 2005 Small Addition Projects
- F. Status of Community Priority Projects
- G. Status of Economic Development Projects
- H. Commercial Square Footage Built – All Categories 1990-2005/ Net New Residential Units
- I. Residential Development Activity
- J. Approved & Pending Residential 2002-2005
- K. Samples of Approved & Pending Residential 2005
- L. Housing in the Pipeline Map